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Congress Fashions \$350 Million Dairy Aid Package

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By ANDREW TAYLOR (AP)

WASHINGTON — Amid a crisis of low milk prices and mounting losses in dairy country, lawmakers in Congress are fashioning a \$350 million emergency aid package aimed at helping struggling milk farmers.

Secretive talks on Capitol Hill have produced a tentative compromise, slated to be unveiled Wednesday, that would leave it to Agriculture Department chief Tom Vilsack to figure out how to deliver most of the aid, \$290 million. It's unclear how much farmers struggling with low prices would benefit.

The original \$350 million plan was passed by the Senate in August without any binding directions about how the money would help farmers.

But the poisonous politics of dairy subsidies hung over recent informal House-Senate talks — an official session is slated for Wednesday afternoon — as supporters of small dairy operations in states like Wisconsin and Vermont wrangled with lawmakers such as Dianne Feinstein, D-Calif., whose state is host to huge dairy farms.

According to congressional aides briefed on the closed-door talks, who requested anonymity because an official House-Senate negotiating session has yet to convene, much of the \$290 million would be devoted to direct monetary payments to dairy farmers, while \$60 million would be spent on purchasing stocks of surplus cheese and other dairy products in hopes of raising prices. The food would be given to food banks.

The plan is expected to be unveiled Wednesday afternoon, when House-Senate negotiators are to meet on a \$23.3 billion agriculture appropriations bill for the fiscal budget year starting Thursday.

The House version of the bill doesn't include any emergency dairy aid, but Appropriations Committee Chairman David Obey, D-Wis., embraced the \$350 million proposal — and wanted to devote most of the money to the Milk Income Loss Contract, or MILC, program. It gives

payments to farmers when prices fall, but benefits are capped after the first 3 million gallons of milk produced, the annual output of perhaps 200 cows.

That mean northeastern and midwestern family farmers with smaller herds disproportionately benefit from MILC.

Obey's plan ran into opposition from Feinstein, among others, leading Sen. Herb Kohl, D-Wis. — chief negotiator for the Senate from his post atop the agriculture spending subcommittee — to suggest the pending compromise. Under it, \$290 million would go to an emergency assistance program for livestock producers that gives the department great flexibility to distribute the money, which is expected to be divided between additional purchases of surplus dairy products and direct payments to producers.

"The goal is to get the money into the pockets of family-based dairy farmers all over this country who are fighting right now for their survival," said Sen. Bernie Sanders, I-Vt., whose amendment added the money to the agriculture spending bill. "What we're looking at right now, among other things, is a form of direct payment, plus some money going for purchases of cheese for food banks."

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